



The TSAC Update

Serving the Financial Aid Community Since 1974!

Tennessee Student Assistance Corporation

March 2003

Volume 3, Issue 7

FROM THE EXECUTIVE DIRECTOR

2003-04 Budget Issues

As everyone knows, most state agencies and schools were required to reduce budget items by 9% for the 2003-04 fiscal year. For TSAC, the Tennessee Student Assistance Award (TSAA) will have approximately \$42 million available for needy students. The TSAC Board of Directors will reevaluate the maximum award in light of this reduction. Schools will be informed by e*GRandS notification by March 31, 2003. Students will begin to receive notification of TSAA eligibility beginning April 1, 2003.

Selection of new recipients for the Ned McWherter Scholars Program is nearing finalization. Because of the low return on the McWherter endowment, TSAC will only award 30 new recipients. All renewal recipients will be awarded.

The Tennessee Teaching Scholars, Minority Teaching Fellows, Dependent Children, and Robert Byrd Scholarships will not be affected by budget reductions. The deadline for applications is April 15 for the teaching programs and July 1 for the Dependent Children Scholarship.

Lottery Scholarship

Two lottery scholarship bills are proceeding through the General Assembly. SB0001 establishes the Lottery Commission which implements the lottery in the state. SB0437 implements the Lottery Scholarship criteria and program administration. TSAC has been designated to administer the program. We are very excited about this new financial aid program for the students of Tennessee. Although the debate on these bills is continuing in the General Assembly and the scholarship criteria may change, the current criteria for high school seniors are:

Base Award -- 3.0 GPA/19 ACT and Parent AGI between \$36,000 and \$100,000 -- \$4,000 (public) or \$2,000 (private)

3.0 GPA/19 ACT and Parent AGI below \$36,000 -- base award plus an additional \$1,000

3.75 GPA/29 ACT (no AGI limit) -- base award plus and additional \$1,000

All TTC entering students -- \$1,500

The base award must not exceed tuition and fees.

The renewal criteria is 2.75 college GPA and completion of 24 hours the first year and 3.0 cumulative GPA after the first year completing 24 hours each year.

For current enrolled college students, only freshmen with a 2.75 GPA can receive the award. Renewal criteria are also 3.0 cumulative GPA and 24 hours per year.

High School Guidance Counselor Internship Program

Information packets will be sent to counselors and financial aid offices by March 31, 2003. If any schools would like to participate in this program or need additional information, please contact Darolyn Parks-Porter, TASFAA Internship Chairperson, or Michael C. Roberts, TSAC.

TSAA

It is now time to reconcile the TSAA for the 2002-2003 academic year. If your school is a semester institution, please refer to the Reconciliation Roster on e*GRandS system and let Naomi Derryberry know by e-mail (Naomi.derryberry@state.tn.us) that the totals indicated on the roster balance with your records. With the current budget situation, you must notify Ms. Derryberry by April 4, 2003. If there are any adjustments to be made, it is imperative that they are made now.

If your institution is a quarter institution, your prompt attention to any outstanding quarter rosters is also appreciated.

GUARANTEC UPDATE

Missy Markis and Monica Stam have recently tendered their resignations and left Guarantec on March 7. Although it will be tough to replace them, Guarantec has already made contingency plans for their departure. During this transition period, Levis Hughes (telephone 904-281-7451) will be temporarily re-positioned to assist Guarantec. The school and lender community are still encouraged to continue to call your Client Liaison/Marketing Representatives Bill Heath and Stephanie Mahan (telephone: 615-741-1346) in the TSAC office and Jimmy Flippin (telephone 601-992-7741) in the Mississippi office. Michelle Rodriguez (telephone 904-281-7027) as the Applications Supervisor continues to be ready to assist you with any application and origination issues, and any issues you would have normally communicated to Missy. Monica's replacement, Allie Ashmead (telephone 904-281-4123) has already been positioned and is currently working as the SSCH Product Manager. Feel free to call any of these talented folks to assist you. We wish Missy and Monica well in their new roles while at the same time realizing they will be missed at Guarantec.

LENDER CONFERENCE REMINDER

TSAC's annual Lender Conference will be held at the Sheraton Music City Hotel in Nashville on April 7th and 8th. Below is the tentative agenda for the conference. If not already registered, please register as soon as possible. The registration forms were sent out earlier. If you cannot locate the registration form, e-mail Stephanie Aylor at Stephanie.aylor@state.tn.us or call her at 800-342-1663 or 615-741-1346.

SUNDAY, APRIL 6, 2002

After 3:00 p.m. Room Check-In

MONDAY, APRIL 7, 2003

8:00 a.m. - 4:30 p.m. Registration Open

8:00 a.m. - 9:00 a.m. Continental Breakfast

9:00 a.m. - 9:10 a.m. Welcome

9:10 a.m. - 10:15 a.m. Regulatory Update

10:15 a.m. - 10:30 a.m. Break

10:30 a.m. - 11:15 a.m. PLUS MPN

11:15 a.m. - 12:00 p.m. Origination Issues

12:00 p.m. - 1:30 p.m. Luncheon

1:30 p.m. - 2:30 p.m. Default Aversion

2:30 p.m. - 2:45 p.m. Break
2:45 p.m. - 3:45 p.m. Loan Status Processing
3:45 p.m. - 4:30 p.m. Lender Issues

DINNER ON YOUR OWN TO ENJOY THE SIGHTS AND SOUNDS OF NASHVILLE!

TUESDAY, APRIL 8, 2003

9:00 a.m. - 10:30 a.m. Tennessee Country Morning Breakfast (Speaker)
10:30 a.m. - 11:00 a.m. Guarantec Update
11:00 a.m. - 11:30 a.m. TSAC Update

**MAPPING YOUR FUTURE OFFERS STUDENT LOAN REPAYMENT
INFORMATION TO SOLDIERS AND THEIR FAMILIES**

With many of our U.S. troops being deployed to the Middle East, student loan repayment may be one of the issues on the minds of soldiers and their families.

Mapping Your Future, a public service web site providing college, career, financial aid, and financial literacy information and services, has developed a new step-by-step guide for troops and their families.

The [guide](#) includes information about possible deferments and forbearances, links to helpful information about managing money during deployment, and the latest Department of Education information on student loan relief for military personnel.

The new guide was developed to provide up-to-date information and assistance to troops and their families. The need for this type of assistance was recognized as more troops were deployed, and more people began sending e-mail messages to Mapping Your Future, requesting information on how to manage student loans during deployment.

Mapping Your Future is a national collaborative public service project of the financial aid industry - bringing together the expertise of the industry to provide free college, career, financial aid, and financial literacy services for schools, students, and families.

FEDERAL UPDATE

CALL TO ACTIVE DUTY AND TITLE IV FUNDS

As Reservists and National Guard personnel are called to active duty and are forced to withdraw from school, schools and lenders should review [GEN-01-13](#) for guidance. Instructions are provided on Return of Title IV calculations, deferments, forbearances, etc.

NASFAA has also established a [consolidated list](#) of references for use by schools that have National Guard or Reservists being called to active duty.

2003-2004 PELL CHARTS

ED has posted the [2003-2004 Pell Grant charts](#). Maximum Pell grants will be \$4,050. The maximum EFC is 3850. In a March 6 [electronic announcement](#), ED announced that approximately 5000 ISIRs were processed using the maximum EFC of 3800. EFCs between 3801 and 3850 will be reprocessed to show eligibility for Federal Pell Grants. FAFSAs submitted after March 6 will be processed using the new maximum EFC cutoff.

PLUS MASTER PROMISSORY NOTE

ED has released a new PLUS Master Promissory Note (MPN) for the 2003-2004 academic year. [GEN-03-03](#), [L-03-239](#), and [G-03-345](#) all contain the details. A separate PLUS MPN will be signed for each student. This announcement pertains to FFEL Program schools. Instructions for Direct Loan schools are contained in [DLB-03-07](#). Copies of the PLUS MPN and related forms, including the Federal PLUS Loan Application and Master Promissory Note and Borrower's Rights and Responsibilities, Federal PLUS Loan Information and School Certification, Endorser Addendum to Federal PLUS Loan Application and Master Promissory note, and the PLUS Loan Plain Language Disclosure are available at the links above. Some are in MS Word format and some are in Adobe Acrobat format.

CB-03-03: CHANGES IN 2004-2005 FISAP

ED released Dear Partner Letter [CB-03-03](#): Changes in the 2004-2005 FISAP for the Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS) Programs. ED is planning to make certain data collection changes to the Fiscal Operations Report for 2002-2003 and Application to Participate for 2004-2005 (FISAP). These changes include statutory/regulatory updates and suggestions from schools that participated in their focus groups and conferences. Schools are requested to review the 2004-2005 FISAP award year changes and compare them with the 2003-2004 FISAP to ensure that the school can accommodate the proposed new data collection requirements.

E-Z AUDIT REGISTRATION FOR SCHOOLS

ED has posted three electronic announcements concerning its new eZ-Audit system. The system provides a single paperless submission point for transmitting required financial statements and compliance audits through the Web. Anticipating quick approval, ED issued the first [electronic announcement](#) providing schools with instructions for eZ-Audit registration. A second and third electronic announcement answered frequently asked questions ([FAQ](#)) ([FAQ2](#)). ED also issued another electronic announcement again outlining [eZ-Audit Registration Instructions](#). The eZ-Audit system will "go live" on April 1, 2003.

ED CHANGES POLICY ON TAX PREPARERS AND ACCEPTABLE DOCUMENTATION FOR VERIFICATION

For verification purposes, the following signatures on tax returns are acceptable:

- Signed by the taxpayer;
- Signed by one taxpayer, if a joint return;
- Signed by the tax preparer, and includes the SSN or EIN;
- Stamped with the tax preparer's name, plus the SSN or EIN; or
- Printed or typed with the tax preparer's name, plus the SSN or EIN.

NASFAA PUBLISHES, "USING FEDERAL TAX RETURNS IN NEED ANALYSIS"

NASFAA's Federal Issues Committee has updated its annual reference tool on how to use federal income tax returns, schedules, and forms in need analysis. The [guide](#) is available to members only and requires a password and ID.

SCHOOLS PORTAL'S URL CHANGES

With the change of their organizational name from "Student Financial Assistance" to "Federal Student Aid," the Schools Portal Web site URL becomes <http://fsa4schools.ed.gov>. Both the old URL and the new URL work currently. However, by the end of April, the old URL (<http://sfa4schools.sfa.ed.gov>) will no longer work.

NEW CLOSED SCHOOL GUIDE RELEASED

ED has released a new [Closed School Guide for Schools](#). It is available in MS Word format.

ELECTRONIC ACCESS TO ECDR REQUIRED

ED announced that all schools must sign up for electronic access to the Electronic Cohort Default Rate (eCDR) site by June 1, 2003. The [Federal Register](#) announcement provides specific instructions for ensuring registration.

ED has also released an [electronic announcement](#) that offers guidance on how to download and print or view eCDR files.

'SAID' NETWORK PASSWORD CHANGE

The Student Aid Information Gateway (SAIG) will implement 90-day expiration for network passwords. Currently passwords expire every 120 days. [The change](#) will become effective June 29, 2003. It is recommended that the school's technical programming staff be informed of this change.

REVISED UNEMPLOYMENT AND ECONOMIC HARDSHIP DEFERMENT FORMS

ED has published [GEN-03-04/G-03-346/L-03-240](#): Approval of Revised Unemployment Deferment and Economic Hardship Deferment forms for the Federal Family Education Loan Program. These new forms must be in use no later than July 1, 2003.

2003-2004 APPLICATION AND VERIFICATION GUIDE

ED has released the first part of the 2003-2004 Federal Student Aid Handbook (Handbook). The [Application and Verification Guide](#) (AVG) is available on IFAP. Schools are reminded of the responsibility to follow the guidance in the Handbook as each section is released.

There are five changes to take note of. The page numbers in the 2002-2003 AVG and the 2003-2004 AVG for these changes are the same in each case.

- On page AVG-21, ED has added more explanation on “Qualified tuition programs (QTPs) or 529 plans.”
 - On page AVG-25, under “Adoptive parents and stepparents,” ED has clarified that a student cannot be the dependent of a stepparent if both biological parents are deceased. The student must be considered an orphan and independent.
 - On page AVG-32, concerning Question 65 on the 2002-2003 FAFSA and Question 66 on the 2003-2004 FAFSA, ED has added the following to the definition of others in the household, “....and if they can reasonably be expected to receive aid from the family for their education. This excludes students at a U. S. military academy because their entire education is paid for.”
 - On page AVG-58, ED has changed the grace period from 90 days to 120 days for the time allowed to complete verification after the Pell deadline.
 - On page AVG-59, under “Household size and number in college”, the first paragraph has been rewritten. Except for verification, household size and number in college cannot be changed (not including student marital change or parent remarriage).
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ANTICIPATED DATES OF PUBLICATION OF SPANISH LANGUAGE MATERIALS

The 2003-2004 Spanish versions of the Free Application for Federal Student Aid (FAFSA), The Student Guide, Funding Your Education, and a new publication called Repaying Your Student Loans are much later this year than ED had anticipated. [The electronic announcement](#) contains details on when Spanish versions of these publications were posted to various locations or when it is anticipated that the publications will be posted or printed.

BECOMING A COD FULL-PARTICIPANT AND SPECIAL DIRECTIONS FOR USERS OF EDEXPRESS PELL AND DIRECT LOAN MODULES

ED has released instructions on how to become a Full Participant school in the Common Origination and Disbursement (COD) system for the 2003-2004 award year. The [electronic](#)

[announcement](#) states that a Full Participant is still optional for the 2003-2004 award year, but if schools want to make the transition from Phase-In participant to Full Participant, there are a series of steps that need to be taken.

On March 4, ED issued another [electronic announcement](#) stating that if a school intends to use EDEExpress to process 2003-2004 award year Pell and/or Direct Loan data via the Common Origination and Disbursement (COD) system they must apply to become a Full-Participant. EDEExpress Version 9.1 will be released in mid-April. If a school chooses to become a Full-Participant for the 2003-2004 award year, it will not affect 2002-2003 processing.

On March 11, ED [announced](#) that COD on-line computer-based training is now available. The training program has six lessons with user friendly text.

COD SCHOOL TESTING

ED has announced Common Origination and Disbursement (COD) school testing for the 2003-2004 award year. The [electronic announcement](#) contains details on when the system will be available. Schools are not required to test but testing allows them or third party servicers to evaluate systems prior to loading actual data.

NSLDS NEWSLETTER ADDRESSES STUDENT ELIGIBILITY CHANGES

The latest NSLDS Newsletter covers additional student eligibility changes for award year 2003-2004, including aggregate, prescreening, and postscreening changes. The new changes have been highlighted for easy reference. The February 2003 Newsletter is available in both [Adobe Acrobat](#) and [Microsoft Word](#) formats.

ED POSTS SUMMARY OF CHANGES TO 2003-2004 STUDENT WEB APPLICATION PRODUCTS

ED posted the [Summary of Changes to the 2003-2004 Student Web Application Products](#) on the FSA download site.

ED ANNOUNCES WEB-BASED TRAINING FOR 2003-2004 EDEXPRESS BASIC FUNCTIONS

ED announces in [ANN-03-02](#) that web-based training in the basic functions of 2003-2004 EDEExpress will be available through [FSA University](#). The training will be released in phases. The first phase will be available in March. This phase includes Global functions and Application Processing.

BUREAU OF HEALTH PROFESSIONS CAMPUS BASED POLICY MEMORANDUM 2003-1

On February 14, NASFAA posted a Bureau of Health Professions Announcement directed to Health Professions and Nursing Schools. The subject of the announcement is [Campus Based Policy Memorandum 2003-1](#). The announcement provides an update and clarification regarding campus-based loan and scholarship programs administered by the Division of Health Careers Diversity and Development.

ED RELEASES DRAFT 2004-2005 FAFSA AND INSTRUCTIONS

ED released a [draft 2004-2005 FAFSA](#). In the [Federal Register](#) announcing the release, ED has requested comments on the form by May 5, 2003.

ED RELEASES DRAFT ISIR XML SCHEMA

ED has released a [draft of the ISIR XML schema](#). A sample ISIR in XML format and an ISIR record layout/data description based on the 2003-2004 award cycle is also provided. This will allow schools to receive ISIR data in XML (Extensible Markup Language) format that is used for the Common Origination and Disbursement (COD) system. This will be an option for the 2004-2005 award year. Releasing this data now allows schools to begin developing and planning systems as well as making comments and asking questions about the schema structure.

HIGH SCHOOL STUDENT GETS WISH: AN EDUCATION

Lincoln Rogers knew what he wanted when the Make-A-Wish Foundation asked him. He wanted an education. Lipscomb University in Nashville is helping him get his wish. Rogers' [story](#) is an inspiration to everyone.

If you have questions on any article or suggestions for future articles, please contact Gary Rogers at 800-342-1663 or 615-741-1346; e-mail address: gary.rogers@state.tn.us.